

### **COLORADO (Governor John Hickenlooper)**

- **Colorado Smelter Site Proposal to the National Priorities List:** EPA appreciates the Governor's support for proposing the Colorado Smelter Site in Pueblo, CO to the Superfund National Priorities List (NPL). The site was proposed to the NPL on May 8, 2014. The EPA is committed to completing the investigation and cleanup of the site in a timely, effective, and collaborative manner. The EPA assisted the community in forming a Citizen's Advisory Group that is representative of the diverse interests and views of the community.
- **EPA Study of the Potential Impacts of Hydraulic Fracturing on Drinking Water Resources:** EPA has appreciated the collaboration with Colorado in conducting the case study investigation in the Raton Basin as part of the overall research program for the study. EPA is developing reports and products from individual research activities now, and expects to release a draft of the study synthesis report in December 2014 for public comment.
- **Colorado Water Supply Projects:** Colorado has five or more major water supply projects in various stages of planning or development. Many include trans-basin diversions from west of the Continental Divide across to population centers on the eastern slope. All remove water from river systems already stressed by withdrawals and other uses. Colorado has promoted water conservation over the last decade and its efforts at developing a statewide water supply plan are impressive. We recognize the importance of developing a sustainable water supply for Colorado residents, agriculture and industry, and we want to be helpful. Region 8 will work closely with Colorado and the Corps and others. As you know, the Agency is working with Colorado and our federal partners to assure that as new supplies are developed, those projects can be accomplished while protecting water quality and aquatic resources.
- **Colorado Energy Projects:** Region 8 has many project and planning level EISs related to oil and gas development throughout Colorado. Five BLM field offices in northwest Colorado are in the process of updating their Resource Management Plans, with reasonably foreseeable development estimates over the next 20 years totaling in the tens of thousands of new wells. EPA is working closely with Colorado BLM in support of its statewide air modeling study (the Colorado Air Resources Management Modeling Study, or CARMMS), which will support both project and land use planning efforts in the future and take advantage of economies of scale for air modeling efforts.

### **MONTANA (Governor Steve Bullock)**

- **Columbia Falls Aluminum Smelter Site Reassessment.** The EPA completed a site reassessment of the Columbia Falls Aluminum Smelter on April 4, 2014. The results of the site reassessment demonstrate that the site is eligible for placement on the Superfund Program National Priorities List (NPL). The EPA is coordinating with Montana DEQ, local government, the community and the current property owner to identify the best path forward to quickly and efficiently conduct a more detailed site investigation and cleanup.
- **Libby Asbestos Superfund Site:** A final remedy will be developed after a risk assessment is completed. EPA is working with MTDEQ to transition to Operations and Maintenance at this site. MDEQ has expressed concern about the timing of this transition and the magnitude of future O&M activities.
- **One-Hour SO<sub>2</sub> National Ambient Air Quality Standard (NAAQS) Designation for the Billings, Montana Area:** EPA designated a portion of Billings, Montana as nonattainment for the 2010 SO<sub>2</sub>

NAAQS in a final rule published 8/5/13 which is associated with a single source: PPL-Montana's Corette coal-fired power plant. Montana Sulphur & Chemical Company and Treasure State Resource Industry Association petitioned EPA to reconsider the Billings SO<sub>2</sub> nonattainment designation. EPA is currently drafting a response to these petitions.

- **Bakken Oil Shale Development:** Significant increases in exploration, development and production of oil and gas have occurred in the Bakken shale formation within the Williston Basin. EPA Region 8 has developed a comprehensive strategy to identify, investigate and address the most significant environmental impacts in the field.

#### **NORTH DAKOTA (Governor Jack Dalrymple)**

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#### **SOUTH DAKOTA (Governor Dennis Daugaard)**

- **Proposed Underground Injection Control (UIC) Actions at Powertech (USA) Inc.'s Dewey Burdock Uranium In-Situ Recovery Site:** The EPA has primacy for UIC Class III and V wells, and has not set a date for issuance of the draft UIC permit decisions. We are planning to conduct two public hearings near the proposed project site in South Dakota once the draft permits are public noticed in addition to the 60 day public comment period. The Nuclear Regulatory Commission license and the South Dakota Department of Environment and Natural Resources large scale mine permit will regulate the whole site including operation, aquifer restoration, and site closure.

#### **UTAH (Governor Gary Herbert)**

- **Applicability of EPA Indian Country NSR Rule:** Utah has asked about the effect of the *Oklahoma* case on NSR permitting in Indian country in Utah, particularly with regard to whether oil and gas production facilities need to obtain NSR permits from EPA, a tribe, or the State of Utah. In brief, within reservations in Utah, the *Oklahoma* case does not disturb the status quo. However, for any non-reservation areas of Indian country in Utah, the *Oklahoma* case has created uncertainty that EPA has not yet been able to resolve – although tribes would not issue NSR permits, the state might be authorized to do. Also, EPA is continuing to analyze the decision and, in consultation with the Department of Justice, is considering options for implementation of the decision or further judicial review.
- **24-hour PM<sub>2.5</sub> SIP:** EPA designated the 5-county Salt Lake area non-attainment for the 24-hour PM<sub>2.5</sub> NAAQS. A Jan. 2013 Court order set a CAA attainment date for Subpart 4 of 12/31/15 with an extension to 12/2019 for serious areas. A PM<sub>2.5</sub> SIP narrative was submitted on 12/14/12 and additional aspects was submitted on January 2014. EPA has proposed a new due date for the SIP of 12/31/14.
- **Uinta Basin:** The basin has high levels of ozone in the winter months and may be designated as nonattainment in the next ozone NAAQS designation cycle (approximately 2016). On 12/12/13, EPA issued a proposal to extend the deadline from 9/2/14 to a date range between 9/2/15 and 3/2/16 for oil and gas sources in Indian Country to obtain minor source NSR permits prior to commencing construction. EPA is working on a general a general permit for true minor sources in the oil and gas production industry, and will discuss in a separate rulemaking action. *This issue is currently under active litigation.*

- **Nutrient Pollution:** EPA has been working closely with UDEQ as they develop nutrient reduction approaches that include: 1) development of numeric nutrient criteria for headwater rivers/streams; 2) technology based limits for larger permitted facilities; 3) nutrient targets for impaired waters in which total maximum daily loads are being developed; and 4) site specific nutrient standards for other waters. Regional staffs are participating on the nutrient workgroup in UT and are encouraged by the direction the group is taking to address nutrient reductions.
- **Clean Air Action Team:** In response to the continuing winter time violations of the PM2.5 standard in the Salt Lake area, Governor Herbert convened a Clean Air Action Team. This team was asked to finalize a set of broadly supported recommendations to improve air quality in 2014. The Team has recommended the following immediate actions:(1) bring cleaner cars and fuel to Utah as soon as possible; (2) eliminate wood burning; (3) expand public transportation and invest in facilities to make biking and walking more convenient; (4) increase the Utah Division of Air Quality's budget and authority; and (5) continue and expand the "Let's Clear the Air" public education campaign. According to the Team, the first two actions could cut fine particulate during Salt Lake's winter inversions by as much as 10–20% in the short term, and by even more over time as older cars are replaced by the newer, cleaner cars. The Utah legislature passed a bill this session that requires the Division of Air Quality (DAQ) to create and implement a woodstove conversion/change-out program and appropriated one-time funding for the conversion program (\$500,000) and an education campaign (\$250,000) on the effects of wood burning on air quality. In April, Region 8 directed DAQ to EPA's BurnWise website for information on the proper use of a woodstove and for the Change-Out Guide for a woodstove change-out program.
- **Tier 3 in Utah's Wasatch Front:** The Governor's Office is concerned that Tier 3 averaging provisions will limit the benefits of Tier 3 standards in Utah's Wasatch Front. Since EPA does not have discretion to approve a state fuel program in Utah, Utah is planning to work with the refiners using an incentive based voluntary program. To move the legislature forward (e.g., offering tax incentives to the refiners), Utah would like to be able to quantify the emissions benefits. Utah is very interested in having MOVES2014 publicly released as soon as possible. Utah is also interested in what SIP flexibility they can offer the refiners. Utah suggested an option of getting early implementation of low sulfur gasoline from the five local refineries by allowing a "bank" to be set up that would use projected Tier 3 vehicle emission reductions. The projected Tier 3 vehicle emission reductions would be used to offset the emissions increases from the refineries from making the necessary facility upgrades before 2014. To provide assurances to the refineries, Utah said that such a program would need to be sent to EPA as a SIP revision. Region 8 and UDEQ will continue to exchange information related to the Wasatch Front oil refineries, Tier 3, potential state incentive options, and PM2.5 SIP issues Utah has raised.
- **Mountain Accord Early Scoping:** This collaborative effort will evaluate and address issues associated with transportation, environmental protection, watershed protection, economic vitality, recreation and land use within the Central Wasatch Mountains and adjoining locales. Mountain Accord will integrate goals, findings, and recommendations from past plans and studies relating to the management of the Wasatch Mountains. The project is currently in a scoping, or pre-NEPA, phase, intended to support a future NEPA scoping process. The EPA is participating as an "observer" of the Environmental System Group meetings (other system groups include Transportation, Economy and Recreation). Project leads from UTA, FTA and Parametrix (consulting team) met with

Region 8's NEPA Program in March to provide an informational presentation about the project. EPA is supportive of this effort.

**WYOMING (Governor Matt Mead)**

- **Regional Haze:** The final rule on the NOx portion of Wyoming's regional haze plan was published in the Federal Register on 1/30/14. The final rule was a partial approval and partial disapproval with a corresponding Federal Implementation Plan (FIP) that requires selective catalytic reduction (SCR) as Best Available Control Technology for NOx at five coal-fired electrical generating units. Industry, the state, and environmental groups commented adversely on our June 2013 re-proposal. The state strongly objected to EPA disapproving parts of its NOx plan and putting a FIP in place. Four petitions for review and reconsideration were filed with the 10th Circuit Court of Appeals and with EPA at the end of March 2014. Petitions were filed by the state of Wyoming, PacifiCorp, several conservation organizations (PRBRC, NPCA, Sierra Club) represented by Earth Justice, and Basin Electric. EPA is very interested in pursuing settlement agreement discussions with all of the parties, including Wyoming.
- **Lead Infrastructure SIP:** Notice of Intent (NOI) to Sue: We received a Notice of Intent (NOI) to sue from the state of Wyoming, dated April 17, 2014, for failure to act on the state's 2008 Lead NAAQS infrastructure SIP. This is the second NOI for a backlogged SIP Region 8 has received from Wyoming. The state's Environmental Director told Region 8 that the state wants to have a place at the negotiating table for deadline suits. Shaun McGrath sent a letter (dated May 21, 2014) to the Environmental Director reminding him that EPA welcomes conversations with the state to attempt to resolve issues before litigation is threatened or filed.